



18 January 2024

Tēnā koe

Official Information Act request

Thank you for your email dated 26 December 2023, in which you requested information from the Ministry of Social Development (the Ministry) on the Accommodation Supplement (AS).

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on your request set out below.

The formula used to calculate AS

The formula used to calculate AS is set out in the Social Security Act 2018 (the SSA 2018) and Social Security Regulations 2018. General information about the formula used to calculate the amount of AS a person will receive is available here: www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/calculating-rate-general-formula-01.html.

Formula for calculating AS for beneficiaries.

$AS = ((\text{Accommodation Costs} - \text{Entry Threshold}^1) \times \text{Subsidy}) \leq \text{Maximum Weekly}$
For people receiving a main benefit, the rate of AS is not reduced in relation to income.

Formula for calculating AS for non-beneficiaries.

$AS \text{ payable} = AS - ((\text{Income} - \text{Income Threshold}) \times \text{Abatement Rate})$

For non-beneficiaries, the amount of AS payable is reduced in relation to income.

AS is not reduced in respect of income for people receiving New Zealand Superannuation (NZS) or the Veterans Pension (VP); however, entitlement to AS ceases when their income other than NZS or VP exceeds a specified limit. The current AS income limits for people receiving NZS or VP can be found on this webpage: www.workandincome.govt.nz/map/deskfile/extra-help-information/accommodation-supplement-tables/income-limits-for-new-zealand-superannuation-and-v.html.

¹ The 'Entry Threshold' is referred to as the 'Base Rate' in the SSA 2018.

The final amount of AS payable calculated using the method above is rounded up to the nearest dollar.

Definitions of key terms

You will find definitions of some key terms used in the formulae for calculating AS below.

- **Accommodation Costs** = rent, allowable home ownership costs or 62% of board costs.
- **Entry Threshold** = the minimum amount of weekly accommodation costs that must be paid before being eligible for the subsidy. This is 25% (30% for homeowners) of the relevant after-tax rate of social security benefit or Jobseeker Support for non-beneficiaries.
- **Subsidy** = 0.7 (70%).
- **Maximum Weekly Rate** = Maximum weekly rate specified for the geographical location and household size.
- **Income** = Before tax weekly income. Income includes an imputed income charge for cash assets that exceed a specified threshold but are less than the specified cash asset limit.
- **Income Threshold** = relevant income cut-out points for Jobseeker Support.
- **Abatement Rate** = 25c for each dollar above the Income Threshold (25%).

Entry Thresholds and Maximum rates

The amount of AS a person, couple, or family will receive depends on their benefit type (if they are receiving a benefit), living situation, and the part of New Zealand they live in. Detailed information about the entry thresholds and maximum rates for AS is available on this webpage: www.workandincome.govt.nz/map/deskfile/extra-help-information/accommodation-supplement-tables/entry-thresholds-and-maximum-rates.html.

If you would like further information on AS areas, we recommend visiting the following website: www.workandincome.govt.nz/map/deskfile/extra-help-information/accommodation-supplement-tables/definitions-of-areas.html.

In the interests of being helpful, and to provide you with the most useful information, we also recommend visiting the links provided below for examples showing how the formula is used to calculate the rate of AS:

- www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/example-calculating-rate-01.html
- www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/manual-calculation-01.html.

You may find it useful to know the Ministry has discretion to grant AS in accordance with the SSA 2018, specifically Subpart 10. If you would like to know more about the conditions in which the Ministry can make discretionary grants for AS, please refer to the following link: www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783241.html?search=sw_096be8ed81d874f8_accommodation+supplement_25_se&p=1#DLM6783241.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request regarding Accommodation Supplement, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp.



Magnus O'Neill
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Ministerial and Executive Services